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SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY BACK IN FILE)

AUDITED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05

PATRICIA LEGO LEWIS CERTIFIED PUBLIC ACCOUNTANT



SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER

AUDITED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2004 05 July 28 PM 1: 33

PATRICIA LEGO LEWIS
CERTIFIED PUBLIC ACCOUNTANT

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PATRICIA LEGO LEWIS, CPA

Accounting and Consulting Firm Notary Public

(225) 687-9095 57910 Fort Street Plaquemine, Louisiana 70764 Fax (225) 687-8068 P.O. Box 863 Plaquemine, Louistana 70765

Independent Auditor's Report

The Board of Directors Southern University Business and Industry Cluster Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of Southern University Business and Industry Cluster (a Louisiana not-for-profit corporation) as of December 31, 2004 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Southern University Business and Industry Cluster as of December 31, 2004, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fatricia Lego Lewis, CPA June 20, 2005

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2004

ASSETS

Cash and Cash Equivalents	\$	14,842
Furniture & Equipment (Net of Depreciation)		7,834
Total Assets	\$	22,676
LIABILITIES AND NET ASSETS		
Liabilities	\$	0
Net Assets		22,676
Total Liabilities and Net Assets	\$	22,676
	===	

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2004

Support and revenues:	
Membership Dues	\$ 16,000
Contributions	
Restricted	11,000
Unrestricted	66,413
Total Support & Revenues	93,413
Expenses:	
Program Services	84,687
Management & General	4,180
Total Expenses	88,867
Increase in Net Assets	4,546
Net Assets, Beginning of Year	18,130
Net Assets, End Of Year	\$ 22,676

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER STATEMENTS OF CASH FLOWS YEAR ENDED DECEMBER 31, 2004

Operating Activities Increase in net assets Adjustments to reconcile change in net assets to net cash provided by operating activities:	\$	4,546
Depreciation		1,376
Net cash provided by operating activities		5,923
Investing Activities		
Equipment purchases		(8,078)
Net cash used in investing activities		(8,078)
Net Decrease in Cash and Cash Equivalents		(2,155)
Cash and Cash Equivalents at Beginning of Year		16,997_
Cash and Cash Equivalents at End of Year	\$ ==	14,842

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2004

			Sup	porting Se	<u>rvices</u>	
	P	rogram	Man	agement		
	S	ervices	& (General		Total
Awards	\$	23,175		-	\$	23,175
Scholarships		29,400		-		29,400
Supplies/Office Expense		1,728		1,504		3,232
Student Support		9,378				9,378
Bayou Classic Expenses		9,652		-		9,652
Conferences /Workshops/Meetings		11,354		+		11,354
Accounting/Auditing Fees		-		1,300		1,300
TOTAL EXPENSES		<u></u>		<u></u>		
BEFORE DEPRECIATION		84,687		2,804		87,491
Depreciation Expense		-		1,376		1,376
TOTAL EXPENSES	\$	84,687	\$	4,180	\$	88,867
	====	=======	===		===	

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. ORGANIZATION

The Southern University Business and Industry Cluster's mission is to assist and support the University and to educate and prepare individuals to be successful in the workforce and society. In addition, the Southern University Business and Industry Cluster is a dynamic voluntary student oriented organization whose programs are developmental in nature. This forum-like structure encourages active dialogue and serves as a change agent on issues of mutual concern and benefit. The objectives are to enable business and industry representatives to work with college officials to strengthen academic programs, obtain financial and equipment support, assist students with career planning and placement, and assist the University in identifying and meeting its needs.

B. BASIS OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared on the accrual basis of accounting. The funds consist of the following:

Assets

Unrestricted assets - consists of assets (except land, and buildings,) and public support and revenue available and used for current operations and expenditures for current programs, and amounts designated by the Board of Directors for long term investments, equipment replacement, or other specific purposes.

Furniture and Equipment - consists of the fixed assets of Southern University Business and Industry Cluster and amounts donated to assist with acquisition, construction or renovation of fixed assets.

C. REVENUE RECOGNITION

All public support and revenue are considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific purposes.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

D. PROPERTY AND EQUIPMENT

Property has been recorded at cost, if purchased, or fair market value, if donated. Expenditures for property costing in excess of \$100 or that materially increase the estimated useful life of assets are capitalized. Maintenance and repairs are charged to expense as incurred. Proceeds from the disposition of property are transferred to the current unrestricted fund unless restricted by the donor of the property.

E. <u>DEPRECIATION</u>

Depreciation is provided on the straight-line method over estimated useful lives of 5 to 7 years for furniture and equipment.

NOTE 2: <u>CASH</u>

The carrying values of the cash accounts are as follows as of December 31, 2004.

	Bank <u>Balances</u>	FDIC <u>Insured</u>
Checking	\$ 14,842	\$ 14,842

NOTE 3: <u>FIXED ASSETS</u>

A summary of fixed assets as of December 31, 2004 is as follows:

	Cost	Accumulated <u>Depreciation</u>	Book <u>Value</u>
Equipment/Furn	\$12,999	\$5,165	\$7,834

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY CLUSTER NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

NOTE 4: DONATED ASSETS AND SERVICES

The Business and Industry Cluster received significant contributions of time and skill from a substantial number of volunteers, which due to their nature and lack of objective means of evaluation, are not recorded as contributions.

NOTE 5: <u>LITIGATION AND CLAIMS</u>

At December 31, 2004, Southern University Business and Industry Cluster. was not involved in litigation nor was it aware of any possible unasserted claims.

NOTE 6: BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 7: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 8: INCOME TAXES

The organization is a nonprofit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes.

SOUTHERN UNIVERSITY BUSINESS AND INDUSTRY SCHEDULE OF FINDINGS DECEMBER 31, 2004

1. Reportable Conditions:

None